

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDWEST WIND DEVELOPERS, Petitioner, v. IES UTILITIES INC., Respondent;	DOCKET NO. AEP-95-1
MIDWEST WIND DEVELOPERS, Petitioner, v. MIDWEST POWER, A DIVISION OF MIDWEST POWER SYSTEMS INC. Respondent;	DOCKET NO. AEP-95-2
WINDUSTRIES, INC. Petitioner, v. IES UTILITIES INC., Respondent;	DOCKET NO. AEP-95-3
MIDWEST WIND DEVELOPERS, Petitioner, v. IOWA-ILLINOIS GAS AND ELECTRIC COMPANY, Respondent;	DOCKET NO. AEP-95-4
WINDUSTRIES, INC. Petitioner, v. MIDWEST POWER, A DIVISION OF MIDWEST POWER SYSTEMS, INC. Respondent.	DOCKET NO. AEP-95-5

ORDER ON REMAND

(Issued December 22, 1999)

On August 9, 1996, the Utilities Board (Board) issued its "Final Decision and Order" on five petitions filed to compel certain investor-owned electric utilities to enter into long-term purchase contracts to purchase and/or wheel electricity from alternate energy production (AEP) facilities. The Board clarified and modified this order by a rehearing order issued September 27, 1996.

On October 25, 1996, MidAmerican Energy Company (MidAmerican) filed a petition for judicial review in Polk County District Court. Subsequent to the Board's decisions and the filing of the petition for judicial review, the Federal Energy Regulatory Commission issued an order on January 29, 1997, which discussed the parameters of state and federal jurisdiction with respect to alternate energy production issues. The District Court therefore remanded the case to the Board for reconsideration of the rate set for alternate energy production purchases.

On remand, the Board will make the following modifications to its August 9, and September 27, 1996, orders. First, the last paragraph on page 6 and the first paragraph on page 7 of the August 9 order will be stricken and replaced by the following:

The Board views the six cents that results by application of the Iowa AEP statutes and rules as not setting a specific rate but creating a "ceiling" that cannot be exceeded absent good cause. The Board will therefore not establish an AEP purchase rate but will require the utilities to enter into AEP contracts for their respective shares of the AEP statutory purchase requirement that are consistent with state and federal law.

Second, finding of fact number 2 on page 20 of the August 9 order is deleted and replaced by the following:

2. It is reasonable to require
MidAmerican and IES to
enter into AEP contracts that are consistent with state and
federal law.

Finally, the Board will delete the last sentence in Section B on page 5 of the Board's September 27, 1996, order.

IT IS THEREFORE ORDERED:

The Board's August 9, 1996, and September 27, 1996, orders issued in these dockets are modified as set forth in the body of this order.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Diane Munns
Executive Secretary

Dated at Des Moines, Iowa, this 22nd day of December, 1999.